FACTORS THAT INFLUENCE CORPORATE TURNAROUND COMPANIES THAT HAVE FINANCIAL DISTRESS WITH OPERATIONAL INCOME AS A MODERATING VARIABLE (EMPIRICAL STUDY IN MANUFACTURING COMPANIES LISTED ON BEI IN PERIOD OF 2008-2017)

Dame Ria Rananta Saragi[1], Iskandar Muda[2], Isfenti Sadalia[3]

[1,2,3]Universitas Sumatera Utara

Dameria_saragi@ymail.com

Abstract: This study aims to examine factors that can affect the ability of companies that are experiencing financial distress to be able to do corporate turnaround so that companies can return to financial health. The factors tested in this study were Severity, Firm Size, Free Assets, Asset Retrenchment, Expense Retrenchment, and CEO Substitution. The population in this study were 61 manufacturing companies listed on the Indonesia Stock Exchange for 10 years, starting from 2008 to 2017 and based on the criteria of all companies selected through purposive sampling method as a sample in this study. Based on the results of testing the statistical value shows that the data used in this study matches the model and the results of the suitability test of the statistical value model show the model used in this study is able to analyse the problem in the study. Partially, the results of statistical tests show that Free Assets and Expense Retrenchment affect the ability of companies in financial distress when conducting corporate turnaround. Whereas Severity, Company Size, Retrenchment Asset and CEO Turnover cannot affect the ability of companies in financial distress when conducting corporate turnaround and Operational Income cannot moderate the effect of Severity, Company Size, Free Asset, Asset Retrenchment, Expense Retrenchment and CEO Turnover on Corporate Turnaround. Simultaneously based on the F (F-statistical) test, all variables namely Severity, Firm Size, Free Assets, Asset Retrenchment, Expense Retrenchment and CEO Turnover can affect the ability of companies to conduct corporate turnaround.

Keywords: Financial Distress, Corporate Turnaround, Severity, Company Size, Free Assets, Asset Retrenchment, Expense Retrenchment, CEO Turnover, Operating Income and Statistical Values.

1. INTRODUCTION

Platt and Platt (2006) state financial distress is the stage of the decline in financial conditions experienced by companies before the occurrence of bankruptcy or liquidity. This condition, in general is marked by a delay in repayment of debts to creditors or banks, delays in shipping goods, declining product quality, and delays in paying bank bills (Juwita, 2009). Companies that experience this condition make investors and creditors concern if the company experiences financial distress and goes bankrupt.

The ability of companies to be able to go back and out of financial distress conditions will then often be referred to as corporate turnaround. According to Marbun (2012) corporate turnaround is a condition where a company that is experiencing financial distress is able to go outside and return to being a company that experiences normal financial conditions.

Research on company turnover from companies experiencing financial difficulties has been carried out by Smith and Graves (2005), Francis and Desai (2005), and in Indonesia it has been translated by Marbun and Situmeang (2014). In the study of Smith and Graves (2005) made several patterns of the company's turnaround process and then some of the components in the pattern were needed as variables that enhance the company's ability to carry out company turnarounds after increasing financial difficulties. Research by Smith and Graves (2005) was carried out on companies listed on the London Stock Exchange for the observation year 1980-1990. Whereas, the research of Francis and Desai (2005) uses situational and organizational variables of the company as determinants of the ability of company turnaround. This study uses a company turnover selection method that is different from Smith and Graves (2005). Francis and Desai (2005) use a timeline that forms with a boundary line that produces freedom. The research was conducted by diverting companies registered in the Standard Industry Clasification (SIC) in America.

Chandrawati's (2008) research is a full replication research from Smith and Graves (2005). This study wants to study the understanding that exists in the research of Smith and Graves (2005) and Francis and Desai (2005). The research of Marbun and Situmeang (2014) is carried out by considering the factors that can affect the company's turnover in companies that increase finance in the Indonesian capital market.

2. LITERATURE REVIEW

2.1. Financial Distress Theory

According to Platt and Platt (2002) the usefulness of information if a company experiences financial distress is to accelerate management actions to prevent problems before bankruptcy and management can take mergers or takeovers so that the company is better able to pay off debt and manage the company better.

According to Pant (1991), smaller companies will more easily adapt to changes in the business environment, making it easier to undergo a turnaround process. This is in contrast to White (1989) who argues that larger companies are more supportive of corporate turnaround because it will be easier to gain trust when looking for additional funding from outside.

2.2. Corporate Turnaround Theory

Corporate turnaround is the ability of companies that are facing a financial crisis to be able to change the situation for the better. While according to Bibeault (1982) states that Corporate Turnaround is a condition of positive changes that are fundamental and sustainable company performance. Barker and Mone (1994) in Candrawari (2008), found 4 stages of conditions during the decline in the company's financial performance and turnaround cycles, namely: The first stage, the company was in the peak of financial performance from the previous 2 years. The second stage, the company's financial performance is at its lowest point after experiencing a decline in performance and is in financial distress. In the third stage, the company is in the stage of resource efficiency after experiencing retrenchment. The fourth stage, the company is in a state of success in turnaround (recovery) or even fails (non recovery).

2.3. Severity in the Process of Corporate Turnaround

The tendency of the company's health level / company performance severity is an element of the company's level of resistance to distress and is one of the factors that affect the success of turnaround. The decline in performance warns managers of strategies and ineffective use of company resources. According to Kiesler and Sproull (1982), (in Francis and Desai, 2005), companies that experience a decline in performance in severe conditions will be quicker to take the actions needed to achieve performance improvements than companies that are not too severe in decreasing performance.

2.4. Firm Size in the Process of Corporate Turnaround

According to Francis and Desai (2005), firm size is an illustration of the size of a company that can be seen from the total assets, sales turnover or the number of employees of a company. Firm size describes the size of a company as indicated by total assets, number of sales, average sales, average total assets. Thus, firm size is the size of assets owned by the company.

2.5. Free Assets in the Process of Corporate Turnaround

According to Singh (1986) in Francis and Desai (2005) free assets are liquid assets of companies that are not guaranteed. The existence of cash, inventory, or credit can equip the company in implementing recovery strategies. Free enterprise resources will help companies reduce the effect of reducing financial performance and provide resources to take effective action, so that companies with more free resources have a better chance of surviving during the decline (Barker and Mone, 1998 in Francis and Desai , 2005).

2.6. Asset Retrenchment in the Process of Corporate Turnaround

Robbin and Pierce (1992) argue that implementing retrenchment steps is the first step to achieving turnaround success. Robbin and Pearce (1992) who study retrenchment as part of the turnaround process found that companies that retrenchment obtain better performance improvements. Assets retrenchment can be interpreted as being operationalized as a net reduction in long-term assets and short-term assets (cash and cash equivalents , trade accounts receivable, inventories, fixed assets) that are considered less productive in the timeline for determining the success of the company's turnaround.

2.7. Expense Retrenchment in the Process of Corporate Turnaround

Operated as a net reduction in costs including cost of goods sold, sales costs and general and administrative costs (Francis and Desai, 2005) in the timeline for determining the success of company turnarounds. The reduction is not just to reduce investment in the functional part of the company such as marketing, research and development, and production costs. But it is also a strategy by reducing investment and liquidating company projects that do not provide benefits. Therefore, the better the efficiency strategy that is carried out by the company in terms of cost savings, will have an impact on the increasing ability of companies to do turnaround (Lohrke and Bedeian, 1998).

2.8. CEO turnover in the Process of Corporate Turnaround

Corporate performance is inseparable from the role of CEO (Chief Executive Officer). The Chief Executive Officer (CEO) is the leader of executive officers, namely the supervisor of the directors of various fields of operations within the company. The CEO is tasked with achieving organizational goals, overall strategies, and operational policies. The CEO also has the responsibility to make decisions about various activities such as the acquisition of other companies, investing in research and development, entering or ignoring various market conditions, and building new factory and office facilities (Griffin, 2004).

2.9. Operational Income As Moderation

Operating income is income arising from debtor interest income, commission income and provision, income from foreign exchange transactions, dividend income, securities sales revenue and so on. This income is normal in accordance with the objectives and business of the company and occurs repeatedly as long as the company conducts its activities. Operating income for each company varies according to the type of business managed by the company. Commission income is the bank's income that is being activated later. This commission is a calculated burden to bank customers who use bank services. The commission is also usually recorded directly as income when the bank sells services to its customers. Credit provision is a source of bank income that will be received and recognized as income when the credit is approved by the bank. Usually the credit provision is directly paid by the customer concerned. Commissions and provisions that are not directly related to credit activities but are related to the period of time required as deferred income or expense and amortized systematically over a period of time. The commission and provision fees or expenses are presented as part of other income and operating expenses in the body of the income statement.

2.10. Hypothesis

H1: Severity has a negative effect on corporate turnaround
H2: Firm size has a positive effect on corporate turnaround
H3: Free assets have a positive effect on corporate turnaround
H4: Assets retrenchment has a positive effect on corporate turnaround
H5: Expense retrenchment has a positive effect on corporate turnaround
H6: CEO turnover has a positive effect on corporate turnaround
H7: Severity, firm size, free assets, asset retrenchment, expense retrenchment CEO turnover have a positive effect on corporate turnaround
H8: Operating income is able to moderate the severity of corporate turnaround
H9: Operating income is able to moderate the size of the company against corporate turnaround
H10: Operating income is able to moderate free assets against corporate turnaround
H11: Operating income is able to moderate assets retrenchment against corporate turnaround

H12:Operating income is able to moderate expenses retrenchment against corporate turnaround

H13:Operating income is able to moderate CEO turnover towards corporate turnaround

3. METHOD

This research is causal, namely identifying causal relationships between various variables (Erlina, 2008). This study will examine the factors that will influence the occurrence of turnaround processes in companies that are experiencing financial distress. This study looked at severity, firm size, free assets, asset retrenchment, expense retrenchment and CEO turnover towards the dependent variable, which was the success of turnaround.

The research location is a company incorporated in the manufacturing sector on the IDX that has been published and that meets the variable research criteria. This study uses financial statements for the period 2008-2017. The population in this study is a company incorporated in the manufacturing sector listed on the Stock Exchange in 2008-2017. The companies observed were companies that were experiencing financial distress and those with corporate turnaround capabilities by considering the use of variable formulas and measurements.

The companies observed were all manufacturing companies listed on the Stock Exchange during the period 2008-2017. To measure the financial condition of the company, the calculation of Ratio on Assets (ROA) is used where the comparison ratio is done by comparing the total assets with net income. Determination of the sample will be carried out using the purposive sampling method. Purposive sampling is a method of determining a sample by determining several criteria relating to the use of research. The several criteria used in selecting samples are as follows:

a. All manufacturing companies listed on the IDX and their financial statements have been published on the IDX during 2008-2017.
b. Companies that in 2008-2017 experienced financial distress for at least 2 consecutive years and at least 6 years were able to raise financial conditions in the following year.

Based on the above criteria, it was obtained 61 sample companies for the period 2008-2017 with the number of observations as many as 610 units of analysis (61 sample companies x 10 years of research).

There are two types of variables used in analyzing problems in this study, namely:

3.1. Variable Dependent

This variable will be measured by calculating using ROA with a benchmark where ROA has decreased from year to year experiencing minus or ROA below 2.0 for 3 years and experiencing recovery in the following year, the following categories can be determined:

a. Companies that obtain ROA value for financial distress for 6 years in a row or fluctuatively are determined as companies that fail in turnaround are category 0 companies.
b. Companies that succeed in turnaround are companies that experience ROA in the category of financial distress with a minimum of 2 consecutive years and followed by ROA in the category of non financial distress for at least 6 consecutive years as a category 1 company.

3.2. Independent Variables

Independent variable is a variable that becomes a cause or variable that explains or influences other variables. The independent variables used in this study are:

1. Severity (X1): This variable is measured using the Altman discriminant value. Severity will be measured by determining the value of Altman Z-score at position t-2.
2. Firm Size (X2): The position of the company's establishment is measured by the amount of assets and the company's ability to make sales. The sum of the two items is then computed with natural logarithmic instruments.
3. Free Assets (X3): Free Assets will be determined by calculating the value of one deducted by the ratio of Total Debt to Total Assets.
4. Asset Retrenchment (X4): Retrenchment Asset Value will be measured by distributing asset values at time-3 with asset values then reduced by 1.
5. Expense Retrenchment (X5): Expenses Retrenchment is measured by subtracting the amount of the company's expense at the time line t divided by the load on time line -1 in the timeline for determining the success of the company's turnaround, then deducting one.
6. CEO turnover (X6): This variable is a categorical variable (dummy). If there is a CEO turnover, then this variable will be given a value of 1 and if no change occurs there will be a value of 0.

3.3. Moderating variable (Z)

Operating income is the sum of total interest income and other operating income. Data is processed using e-views program, while for data analysis methods, research uses 2 methods of data analysis to test hypotheses, including multiple regression in model I and ui moderating in model II the following equation is obtained:

Multiple Regression - Model I

$Y = \alpha + \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + \beta_4.X_4 + \beta_5.X_5 + \beta_6.X_6 + e_1$ (1)

Residual Test - Model II

2.1. $: Z = \alpha + \beta_1.X_1 + \beta_2.Z + \beta_3.X_1.Z + e_2$
2.2. $: Z = \alpha + \beta_4.X_2 + \beta_5.Z + \beta_6.X_2.Z + e_3$
2.3. $: Z = \alpha + \beta_7.X_3 + \beta_8.Z + \beta_9.X_3.Z + e_4$
2.4. $: Z = \alpha + \beta_{10}.X_4 + \beta_{11}.Z + \beta_{12}.X_4.Z + e_5$
2.5 $: Z = \alpha + \beta_{13}.X_5 + \beta_{14}.Z + \beta_{15}.X_5.Z + e_6$
2.6 $: Z = \alpha + \beta_{16}.X_6 + \beta_{17}.Z + \beta_{18}.X_6.Z + e_7$

Information:

Y	= Corporate Turnaround
α	= Constant
β_1-β_6	= Independent Variable Coefficients
X_1	= Severity
X_2	= Firm Size
X_3	= Free Assets
X_4	= Assets Retrenchment
X_5	= Expenses Retrenchment
X_6	= CEO Turnover
Z	= Operational Income
e_1-e_7	= error

4. Result and Discussion

4.1. Result

Coefficient Determination Test

Table 1 Coefficient Determination Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1?	0.009746	0.028947	0.336690	0.7365
X2?	-0.008703	0.052981	-0.164264	0.8696
X3?	0.212929	0.050323	4.231243	0.0000
X4?	0.078741	0.053638	1.468015	0.1426
X5?	0.097013	0.038155	2.542629	0.0113
X6?	-0.198859	0.133221	-1.492706	0.1360
C	-0.092242	0.346511	-0.266203	0.7902

R-squared	0.092776	Mean dependent var	0.005936
Adjusted R-squared	**0.083749**	S.D. dependent var	0.992749
S.E. of regression	0.950270	Akaike info criterion	2.747267
Sum squared resid	544.5164	Schwarz criterion	2.797913
Log likelihood	-830.9164	Hannan-Quinn criter.	2.766968
F-statistic	10.27752	Durbin-Watson stat	1.908410
Prob(F-statistic)	**0.000000**		

The coefficient of determination (Adjusted R-squared) is equal to R^2 = 0.0837. This value can be interpreted as severity, firm size, free assets, asset retrenchment, expense retrenchment, simultaneous CEO turnover or jointly affecting corporate turnaround of 8.37%, the remaining 91.63% is affected by other factors.

F Test

Value of Prob. (F-statistics) is 0.00000 <0.05, it can be concluded that all independent variables, namely severity, company size, free assets, asset retrenchment, expense retrenchment, CEO turnover simultaneously, have a significant effect on corporate turnaround variables.

t Test

Obtained multiple linear regression equation as follows.

$$Y = 0{,}009X_1 - 0{,}008X_2 + 0{,}212X_3 + 0{,}078X_4 + 0{,}097X_5 - 0{,}198X_6 + e$$

Second Hypothesis Testing Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	-5111.356	132143.1	-0.038680	0.9692
C	1470191.	131079.8	11.21600	0.0000

$$|e| = 1470191 - 5111{,}356Y + e$$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	-37636.99	134139.9	-0.280580	0.7791
C	1336958.	133060.5	10.04775	0.0000

$$|e| = 1336958 - 37636{,}99Y + e$$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	-73604.55	132358.5	-0.556100	0.5783
C	1554802.	131293.4	11.84219	0.0000

$$|e| = 1554802 - 73604{,}55Y + e$$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	-74627.30	133039.9	-0.560939	0.5750
C	1549161.	131969.4	11.73879	0.0000

$$|e| = 1549161 - 74627{,}30Y + e$$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	-64219.54	133067.5	-0.482609	0.6295
C	1547684.	131996.7	11.72517	0.0000

$$|e| = 1547684 - 64219{,}54Y + e$$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	-70798.77	133062.9	-0.532070	0.5949
C	1547816.	131992.2	11.72657	0.0000

$$|e| = 1547816 - 70798{,}77Y + e$$

4.2. Discussion

The Effect of Severity on Corporate Turnaround

It is known that the regression coefficient of the variable severity is 0.009, which is positive. This means that severity has a positive effect on corporate turnaround. It is known that the Prob value is 0.7365, which is> the 0.05 significance level, then severity does not significantly influence corporate turnaround.

The Effect of Firm Size on Corporate Turnaround

It is known that the regression coefficient of firm size variable is -0.008, which is negative. This means that firm size has a negative effect on corporate turnaround. It is known that the Prob value is 0.8693, which is> the 0.05 significance level, then the firm size does not have a significant effect on corporate turnaround.

The Effect of Free Assets on Corporate Turnaround

It is known that the regression coefficient of the free asset variable is 0.212, which is positive. This means that free assets have a positive effect on corporate turnaround. It is known that the Prob value is 0.0000, which is <0.05 significance level, so free assets have a significant effect on corporate turnaround.

The Effect of Retrenchment Asset Against Corporate Turnaround

It is known that the regression coefficient of the asset retrenchment variable is 0.078, which is positive. This means that asset retrenchment has a positive effect on corporate turnaround. It is known that the Prob value is 0.1462, which is> the 0.05 significance level, then asset retrenchment does not have a significant effect on corporate turnaround.

The Effect of Expense Retrenchment on Corporate Turnaround

It is known that the regression coefficient of the expense retrenchment variable is 0.097, which is positive. This means that expense retrenchment has a positive effect on corporate turnaround. It is known that the Prob value is 0.0113, which is <0.05 significance level, then expense retrenchment has a significant effect on corporate turnaround.

The Effect of CEO Turnover on Corporate Turnaround

It is known that the regression coefficient of the CEO turnover variable is -0.198, which is negative. This means that CEO turnover has a negative effect on corporate turnaround. It is known that the Prob value is 0.1360, which is> a 0.05 significance level, thus CEO turnover does not have a significant effect on corporate turnaround.

Operating Income as Moderating Variables

Based on the regression test results the model II operating income is not able to moderate the influence of corporate turnaround severity, firm size on corporate turnaround, free assets on corporate turnaround, asset retrenchment on corporate turnaround, expense retrenchment on corporate turnaround and CEO turnover towards corporate turnaround.

5. Conclusion and Suggestion

5.1. Conclusion

Based on the results and discussion of this study, it can be stated some conclusions from this study, namely:

1. Severity has a positive but not significant effect. Firm size has a negative but not significant effect, Asset retrenchment has a positive but not significant effect, CEO turnover has a negative effect but is not partially significant on the ability of companies that experience financial distress in conducting corporate turnaround.
2. Free assets have a positive and significant effect on corporate turnaround partially on the ability of companies that experience financial distress in conducting corporate turnaround. Retrenchment costs have a positive and significant effect on corporate turnaround partially on the ability of companies experiencing financial distress in conducting corporate turnaround.
3. Severity, firm size, free assets, assets retrenchment, expenses retrenchment, and CEO turnover jointly influence the ability of companies that experience financial distress in conducting corporate turnaround.

4. Operating income in this study as a moderating variable. Based on the residual test results that the regression coefficient of corporate turnaround is negative but not significant. This means that operating income is not able to moderate the effect of severity on corporate turnaround, firm size on corporate turnaround, free assets on corporate turnaround, asset retrenchment on corporate turnaround, expense retrenchment on corporate turnaround and CEO turnover for corporate turnaround.

5.2. Suggestion

1. Future studies can use discriminant testing by avoiding the possibility of normality of data that is not met.
2. Future research can further add other variables that are closer to the organizational context of the company. Not only company fundamentals, such as Good Corporate Governance (GCG), Size of Company Employees, and Measures of Company Capital Productivity. And or adding Leadership Skill as a moderating variable or variable intervening in future research.

Reference

Abebe, Michael A. 2012. Executive Attention Patterns Environmental Dynamism and Corporate Turnaround Performance. *Leadership & Organization Development Journal* Vol. 33.No. 7.pp.684-701.

Abebe, Michael A. 2010. Top Team Composition and Corporate Turnaround Under Environment Stability and Turbulence. *Leadership & Organization Development Journal* Vol. 31.No. 3, pp. 196-212.

Alifiah, Norfian Mohd. 2013. Prediction of Financial Distress Companies in the Sector and Malaysia Trading Services Using Macroeconomic Variables. *Procedia- Social and Behavioral Sciences 129*, 90-98.

Altman E. I. 2000. Predicting Financial Distress of Companies Revisiting The Z-Score And Zeta Models. *Journal of Banking & Finance*.

Baum, Michael E. 2013, Leading Corporate Turnaround: How Leaders Fix Troubled Companies. *American Bankruptcy Institute Journal*: 32, 6; ProQuest, pg. 60

Bonnici, Joseph L.1995. Fredenberger, William B. Information Priorities in Turnaround Situations. *Journal of Applied Business Research*; Summer 11, 3, ABI / INFORM Collection, pg.94.

Candrawati, Anna. 2008. Analysis of Factors Affecting Turnaround Success in Companies Experiencing Financial Distress. *Thesis*. Diponegoro University. Semarang

Chen, Bo-Wei; Wei, Tzu-Hsiang.2017.An Empirical Study on Relationship Among Slack Resources, Resource Deployment, Turnaround Strategy and Turnaround Performance. *The International Journal of Organizational Innovation*. Vol. 10.No.1.

Elidawati, 2016. Analysis of Factors Affecting Turnaround Success in Companies Experiencing Financial Distress. *Thesis*. University of North Sumatra.

Evans, Robert T and Chinomrath, Thanida. 2012. Successful Turnaround Strategy: Thailand Evidence. *Journal of Accounting in Ernerging Economies*. Vol 3 No. 2, pp. 115-124. Emerald Group Publishing Limited 2042-1168

Fatmawati, Amelia. 2017. Factors Affecting Financial Distress (Study of Manufacturing Companies on the IDX). *Journal of Accounting Science and Research*. Vol. 6, No.10.

Francis, John D and Desai, Ashay B. 2005. Situational and Organizational Determinants of Turnaround, *Management Decision 43*: 1203-1224.

Gadiesh, Orit; Pace, Stan; Rogers, Paul. 2003. Successful Turnarounds: Three Key Dimensions.Vol. 31.No. 6. pp. 41-43. ISSN 1087-8572.

Gepp, Adrian and Kumar, Kuldeep. 2015. Predicting Financial Distress: A Comparison of Survival Analysis and Decision Tree Techniques. *Procedia Computer Science* 54 (2015) 396-404.

Haryetti. 2010. Analysis of Financial Distress to Predict Company Bankruptcy Risk (Case Study in the Banking Industry on IDX. *Journal of Economics*. Vol. 18 No.2

Hofer, C.W. 1980. Turnaround Strategies, Journal of Business Strategy. Vol. 1.Issue 1.

Ishak, Kherchi and Elhadj, MeddahAraibi. 2014. Corporate Refocusing: Strategic Approach. *Indian Journal of Management Science*. Vol-iv, Issue-3, EISSN 2231-279X- ISSN 2249-0280.

Khalid, Ahmad, Altarturi, Basheer Hussein Motawe, Thaker, Hassanudin Mohd Thas, Harun, MdYousuf & Nahar, Nurun. 2014. Identifying Financial Distress Firm: A Case Study of Malaysia's Government Linked Companies (GLC). *International Journal of Economic, Finance and Management*. Vol. 3, No.3 .ISSN 2307-2466.

Ko, Li-Jen, Blocher, Edward J & Lin, P. Paul. Prediction of Corporate Financial Distress: An Application of the Composite Rule Induction System. *The International Journal of Digital Accounting Research*. Vol.1, No.1, pp. 69-85. ISSN: 1577-8517.

Lestari, Rizky Dwi and Triani, Ni Nyoman Alit. 2013. Determinants of Turnaround Success in Companies Experiencing Financial Distress. *Journal of Management Sciences*. Vol 1. No. 4.

Malcolm, S. W. 2007. Corporate Turnaround Strategies for IT Firms: An Emperical Investigation. *Dissertation*. Nova Southwestern University.

Marbun, Hendra A. H. 2014. Analysis of Factors Affecting Turnaround Success in Companies Experiencing Financial Distress (Empirical Study on Sectoral Non-Financial Companies Listed on the Indonesia Stock Exchange in 2001 - 2011). *Journal of Accounting & Business Indonesia* 2 (1): 85-95.

MdZeni, SyahidaBintidanAmeer, Rasyid. 2010. Turnaround Prediction of Distress Companies: Evidence From Malaysia. *Journal of Financial Reporting and Accounting*.Vol 8. Issue 2, pp.143-159.

Mihail, Dimitrios M; Links, Myra Mac; Sarvanidis. High Performance Work Systems in Corporate Turnaround: a German Case Study. *Journal of Organizational Change Management*. Vol. 26, No. 1.2013, pp.190-216.Emerald Publishing Group Limited 0953-4814

Oliver, Jhon. Is "Transgenerational Response" A Hidden Cause of Corporate Corporate Turnarounds and Chronic Underperformance. Vol. 45 No. 3. 2017, pp. 23-29. *Emerald Publishing Limited*, ISSN 1087-8572

Pan, Wei-Hwa and Chen, Yih-Lang. 2015.A Case Study of The Corporate Turnaround Strategies. *The International Journal of Organizational Innovation* Vol. 7 No. October 2, 2014

Panicker, Sunita and Manimala, Mathew J. 2014.Successful Turnarounds: The Role of Appropriate Entrepreneurial Strategies. *Journal of Strategy and Management*. Vol.8 No.1, 2015, pp, 21-40. Emerald Publishing Group Limited 1755-425X.

Pant, Laurie W. 1986. The Determinant Of Corporate Turnaround (Strategy, Financial Distress). *ProQuest Dissertations and Theses*. University Microfilms International.

Platt, Harlan D. and Platt, Majorie B. 2002. Predicting Corporate Financial Distress: Reflections on Choice-Based Sample Bias. *Journal of Economic and Finance* 26 (2).

Platt, Harlan D & Platt Marjorie B. 2006. Companding Differences Between Financial Distress and Bankruptcy. *Review of Applied Economic*. Vol.2. 141-157.

Rasheed, Howard S. Turnaround Strategies for Declining Small Business: The Effects of Performance and Resources. *Journal of Developmental Entrepreneurship*.Vol. 10, No. 3. 2005. 239-252.

Rezende, Felipe Fontaine Rezende; Montezano, Roberto Marcos da Silva; Oliveira, Fernando Nascimento and Lameira, Valdir de Jesus. Predicting Financial Distress in Publicly-Traded Companies. USP, Sao Paulo, Vol. 28, No. 75, p.390-406, set / dez. 2017. ISSN 1808-057X.

Robbins, D.K. and Pearce, J.A.II. 1992. Turnaround: Retrenchment and Recovery. *Strategic Management Journal* 13 (4): 287 - 309.

Schweizer, Lars and Neinhaus, Andreas. 2017. Corporate Distress and Turnaround: Integrating The Literature And Directure Future Research. *Business Research* 10: 3-47.

Singh, J. 1986. Performance, Slack and Risk Taking in Organizational Decision Making. *Academy of Management Journal*, 29: 562 - 585.

Smith, M and Graves, C. 2005. Corporate Turnaround and Financial Distress. *Managerial Auditing Journal* 20 (3).

Suhfriahtiningsih, Endah and Fidiana. 2017. Factors Affecting Turnaround Success in Manufacturing Companies. *Journal of Accounting Science and Research*. Vol 6. No 6.

Waqas, Hamid and Md-Rus, Rohani. Predicting Financial Distress: Applicability of O-score and Logit Model for Pakistani Firms. *Business and Economic Horizons*. Vol. 14.Issue 2. 2018. Pp.389-401. ISSN: 1804-5006

www.anggaran.depkeu.go.id

www.idx.co.id